



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

July 18, 2022

Aaron B. Shepherd
The Procter & Gamble Company

Re: The Procter & Gamble Company (the "Company")
Incoming letter dated July 13, 2022

Dear Aaron B. Shepherd:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Green Century Capital Management (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its June 7, 2022 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Thomas Peterson
Green Century Capital Management

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June 7, 2022

By Electronic Mail

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: The Procter & Gamble Company – Shareholder Proposal Submitted by the Green Century Equity Fund

Ladies and Gentlemen:

On behalf of The Procter & Gamble Company (the “Company” or “P&G”), we are submitting this letter pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to request confirmation from the staff of the Division of Corporation Finance (the “Staff”) that it will not recommend enforcement action to the U.S. Securities and Exchange Commission (the “SEC” or “Commission”) if the Company excludes a shareholder proposal submitted by the Green Century Equity Fund (the “Proposal”) from the proxy materials for its 2022 annual meeting of shareholders. A copy of the Proposal, which requests that the Company adopt a policy on deforestation and degradation that includes a goal of eliminating sourcing of wood pulp from primary forests, and the cover letter to the Proposal are attached hereto as Exhibit A.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008), we are emailing this letter to the Staff at shareholderproposals@sec.gov. We are simultaneously sending a copy of this letter and the exhibits thereto to the proponent as notice of the Company's intent to omit the Proposal from its 2022 proxy materials in accordance with Exchange Act Rule 14a-8(j). We take this opportunity to inform the proponent that a copy of any correspondence it submits to the Commission or the Staff with respect to the Proposal should be provided concurrently to the Company pursuant to Rule 14a-8(k) and Staff Legal Bulletin No. 14D, and request that a copy also be provided to the undersigned at the address above.

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THE PROPOSAL

The Proposal states:

Resolved: Shareholders request that Procter & Gamble adopt a policy on deforestation and degradation that includes a goal of eliminating sourcing of wood pulp from primary forests by 2030 in alignment with international goals, and report on progress in implementing the policy by disclosing its comprehensive primary forest footprint as soon as practicable and on an ongoing basis.

BASIS FOR EXCLUSION

We request that the Staff concur in our view that the Proposal may be excluded from the Company's 2022 proxy materials pursuant to Rule 14a-8(i)(7), because the Proposal relates to the Company's ordinary business operations.

BACKGROUND — THE COMPANY'S FORESTRY PRACTICES AND PROGRAMS

The Company is committed to the responsible sourcing of wood pulp and has already established a policy that prohibits deforestation and the degradation of intact forests. The Company does not manufacture wood pulp, but sources wood pulp in order to make and sell certain Company products, such as tissue, towel, and absorbent hygiene products. These products, such as diapers and toilet paper, are ultimately sold through several of the Company's business units, including Family Care, Baby Care, and Feminine Care. While wood pulp is a necessary component of these products, the Company's overall footprint in the wood pulp industry is relatively small. The Company currently purchases less than 3% of the wood pulp produced in Canada and only about 1% of the wood product from Canada used in the United States.

The Company's wood pulp and forestry policies and programs have been in place for many years. The Company has also taken action over the last decade to increase the breadth and impact of these efforts. The Company is committed to transparency regarding these efforts and publishes a wide range of data and disclosures about its forestry practices on its ESG Portal.¹ In March 2021, the Company published a comprehensive Forestry Practices Report that was based on a review conducted by the Company to identify opportunities to further increase the scale, pace, and rigor of its responsible sourcing efforts.² As part of this review, the Company updated its Wood Pulp Sourcing Policy, which was further updated in October 2021.³ The Company also completed and published a supplement in June 2021 to the Forestry Practices Report (the

¹ The Company's ESG Portal is available at: <https://www.pginvestor.com/esg/esg-overview/default.aspx>.

² The Forestry Practices Report, which includes the Company's Wood Pulp Sourcing Policy and Palm Oil Sourcing Policy as appendices, was furnished as an exhibit to a Form 8-K filed on March 29, 2021. The Report is also available at: https://s1.q4cdn.com/695946674/files/doc_downloads/2021/03/ForestryPracticesReport_3-29-21.pdf.

³ The updated Wood Pulp Sourcing Policy is available at: https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/Forestry/06/8958_P-G_WoodPulp_Policy_A-3.pdf.

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“Supplement”), which further discusses the Company’s wood pulp footprint and several aspects of the Company’s forestry sourcing practices.⁴ The Supplement provides a detailed discussion of the Company’s evaluation of whether a commitment to eliminate wood pulp sourcing from intact forest landscapes would be prudent for the Company and its stakeholders. The Supplement also addresses additional aspects of the responsible sourcing of forestry materials, such as intact forest landscapes, intact forest areas, high carbon stock (HCS) and high conservation value (HCV) forests; free, prior, and informed consent (FPIC); and compliance monitoring. We refer to the Supplement, Forestry Practices Report, and Wood Pulp Sourcing Policy collectively as the “Forestry Materials” (attached to this letter as Exhibits B, C, and D, respectively). These policies and reports are representative of the Company’s efforts to responsibly source wood pulp for its products.

The Company’s existing policies prohibit deforestation and forest degradation and aim to protect or conserve special sites, respect human and labor rights, and affirm the rights of Indigenous groups. The Company does not own or manage forests but endeavors to ensure that sound forest management practices are used in its wood pulp supply chain. The Company reviews all wood pulp suppliers to ensure they are providing the Company with wood pulp that complies with the Company’s Wood Pulp Sourcing Policy and forest certification requirements. The Company diligently pursues sourcing that protects forests and the communities that rely on them. In sum, the Company’s wood pulp supply chain efforts, including robust certification requirements, responsible sourcing efforts, sourcing transparency, and affirmative conservation actions, are all designed to meet the Company’s commitment to responsibly source wood pulp.

We note that the Proposal uses various terms when referring to forests that are within the scope of the Proposal: the term “primary forests” is used in the resolved clause, but the Proposal also refers to “intact forests” and “primary boreal forests.” The Proposal’s supporting statement appears to use primary forests and intact forests interchangeably, but the Company understands these terms to be distinct. The Company believes that “intact forests” or “intact forest landscapes” (IFLs) generally refer to significant, unbroken forest areas minimally impacted by human activity.⁵ The Proposal refers to a primary forest as a “a forest that has never been logged and has developed following natural disturbances and under natural processes.” The Company believes that Proposal’s definition of primary forest is broadly construed and does not align with the Company’s understanding of intact forests and IFLs. The Proposal’s definition of primary forests may include what the Company understands to be IFLs, but would also encompass an additional expanse of forests that are not mapped or delineated in certain jurisdictions in which the Company sources wood pulp.

ANALYSIS

I. The Proposal should be excluded under Rule 14a-8(i)(7) because it relates to the Company’s ordinary business operations.

⁴ The Forestry Practices Report Supplement is available at: https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/Forestry/06/Forestry_Practices_Report_6-3-21.pdf.

⁵ Under its technical definition, an IFL also has certain size and dimensional requirements, such as a minimum area of 500 km², to enable consistent identification and mapping.

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Overview of Rule 14a-8(i)(7)

Rule 14a-8(i)(7) permits the exclusion of a shareholder proposal from a company's proxy materials if the proposal "deals with a matter relating to the company's ordinary business operations." The Commission has stated that the purpose of the ordinary business exception is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *Amendments to Rules on Shareholder Proposals*, SEC Rel. No. 34-40018 (May 21, 1998). The Commission has further stated that the policy underlying this exclusion rests on two "central considerations," specifically whether the proposal (i) concerns tasks that are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight" and (ii) "seeks to 'micromanage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.*

A. The Proposal should be excluded under Rule 14a-8(i)(7) because it concerns the Company's ordinary business operations and does not focus on a significant social policy issue.

The Proposal Concerns the Ordinary Business Matters of Product Development, the Offer of Products for Sale, and Relationships with Suppliers

The Proposal should be excluded under Rule 14a-8(i)(7) because it concerns the Company's ordinary business operations, including the Company's product development, the offer of products for sale, and supplier relationships. The Proposal is concerned with the Company's product development and the Staff has previously held that "[p]roposals concerning product development are generally excludable under [R]ule 14a-8(i)(7)." *See DENTSPLY Int'l. Inc.* (Mar. 21, 2013) (proposal requesting a report summarizing the company's policies and plans for phasing out mercury from company products was excludable under Rule 14a-8(i)(7) as relating to product development). Where a proposal seeks to remove or eliminate a component or material included within a company's product, the Staff has frequently held that the proposal is excludable under Rule 14a-8(i)(7) as it relates to the ordinary business concept of product development. *See Mondelez International, Inc.* (Feb. 23, 2016) (proposal requesting the elimination of nanomaterials from company products was excludable under Rule 14a-8(i)(7) as relating to product development); *Ball Corp.* (Feb. 4, 2016) (proposal requesting that the company phase out the use of BPA from its products was excludable under Rule 14a-8(i)(7) as relating to product development); and *PPG Industries, Inc.* (Feb. 26, 2015) (a proposal requesting the elimination of the use of lead in paint and coatings in company products was excludable under Rule 14a-8(i)(7) as relating to product development).

The Proposal is clearly concerned with product development matters because it requests that the Company eliminate a specific material, namely primary forest-sourced wood pulp, from its supply chains. Wood pulp is necessary to manufacture a range of Company products and the elimination of certain wood pulp sourcing would effectively change the composition of certain Company products in ways that would be detrimental to consumers and to the Company's business. The Proposal compares favorably to the proposals that the Staff allowed to be excluded

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in *DENTSPLY, Mondelez, Ball* and *PPG* as each of these proposals also concerned the elimination of a specific material used in the production of a company product. For example, the proposal in *Mondelez* noted that “Mondelez Dentyne Ice gum has been found in independent laboratory testing to contain nanoparticles of titanium dioxide, a metal oxide used to whiten foods” and requested that the company eliminate the use of these nanoparticles. The *Mondelez* proposal identified a product component (nanoparticles) and the proposal requested the company eliminate that component from a product (gum). Similarly, the Proposal identifies a product component (primary forest-sourced wood pulp) and calls for eliminating that component from Company products (e.g., diapers and toilet paper).

In addition to proposals that concern product development, the Staff has long permitted the exclusion of proposals that concern a company’s products and services. The Staff has stated that “[p]roposals concerning the sale of particular products are generally excludable under [R]ule 14a-8(i)(7)” and has permitted the exclusion of proposals where a company is asked to phase out or eliminate a product. *See Dillard’s, Inc.* (Feb. 27, 2012) (a proposal that requested the company phase out the sale of fur from raccoon dogs was excludable under Rule 14a-8(i)(7) as relating to the products offered for sale by the company). The Staff has also permitted the exclusion of proposals that relate to a company’s products and services but are not limited in scope to specific products. *See Amazon.com, Inc.* (Mar. 17, 2016) (a proposal that concerned recycling, pollution and public health problems from waste generated as a result of the sale of electronics to customers was excludable under Rule 14a-8(i)(7) as relating to the company’s products and services); *Wal-Mart Stores, Inc.* (“Porter”) (Mar. 26, 2010) (a proposal urging the company to adopt a policy requiring that all products and services offered for sale in U.S. stores be manufactured or produced in the U.S. was excludable under Rule 14a-8(i)(7) as relating to the products and services offered for sale by the company); and *Wal-Mart Stores, Inc.* (“Green Century”) (Mar. 24, 2006) (a proposal that called for minimizing customer exposure to a list of toxic substances in company products was excludable under Rule 14a-8(i)(7) as relating to the sale of particular products). Although the text of the Proposal is concerned with the Company’s wood pulp supply chain, it necessarily concerns the Company’s products, which are manufactured using this sourced wood pulp. As in *Wal-Mart (2010)*, the Proposal imposes a condition upon products sold by the Company (that they not contain wood pulp sourced from primary forests) and accordingly, the Proposal concerns the Company’s products. The Proposal would limit the Company’s wood pulp supply and hinder its ability to make high-performing paper products. The Proposal’s request directly relates to the Company’s ordinary business operations, and therefore the Proposal is excludable under Rule 14a-8(i)(7).

The Proposal also implicates the Company’s supplier relationships, which the Staff has held to be ordinary business operations. *See Foot Locker, Inc.* (Mar. 3, 2017) (a proposal concerning the company’s monitoring of the use of subcontractors by the company’s overseas apparel suppliers was excludable under Rule 14a-8(i)(7) as “the proposal relates broadly to the manner in which the company monitors the conduct of its suppliers and their subcontractors”). In addition, the Staff has permitted the exclusion of proposals that sought an assessment of a specific aspect of companies’ supply chains. *See The Home Depot, Inc.* (Mar. 20, 2020) (permitting exclusion under Rule 14a-8(i)(7) for a proposal that called for a report on the extent of known usage of prison labor in the company’s supply chain); and *The TJX Companies, Inc.* (Mar. 20, 2020) (permitting exclusion under Rule 14a-8(i)(7) for a proposal that called for a report assessing the effectiveness of current company policies for preventing prison labor in the company’s supply chain). The Proposal includes direct and indirect references to the Company’s

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relationships with and evaluation of its suppliers. The resolved clause of the Proposal specifically relates to “sourcing” in the Company’s wood pulp supply chain and the supporting statement refers to wood pulp “suppliers” and “sources.” In addition, the Company is not aware of any definitive industry or government mapping of primary forests in the jurisdictions where it sources wood pulp. The Proposal would therefore require the Company to engage its suppliers to assess whether their wood pulp has been sourced from a primary forest, assuming a universally accepted definition of a “primary forest” can be ascertained, and then eliminate that sourcing. Based on the Company’s sourcing experience and conversations with suppliers, the Company does not believe that it can practically dictate to its suppliers that they not source wood pulp that may include a small amount of fibers from primary forests. In fact, the Company expects that mandating such a commitment would likely have the unintended consequence of simply shifting this wood pulp supply to other industries and companies globally, many of whom may be willing to accept less responsible practices or requirements for their sourcing. The Company does not manufacture wood pulp, and it is clear that the Proposal relates to the Company’s supplier relationships for its sourced wood pulp. Therefore, the Proposal is excludable under Rule 14a-8(i)(7).

The Proposal Does Not Focus on a Significant Social Policy Issue Under Rule 14a-8(i)(7)

The Proposal does not focus on a significant social policy issue under Rule 14a-8(i)(7). Despite the proponent’s invocation of carbon emissions, human rights and free, prior, and informed consent (FPIC), the central purpose and concern of the proposal is the adoption of a policy on deforestation and degradation and the elimination of wood pulp sourced from primary forests.⁶ The Proposal does not focus on a significant social policy issue but is highly focused on the Company’s product development, the offer of products for sale, and supplier relationships, which are all ordinary business matters. The Company’s sourcing of wood pulp from different forest classifications directly concerns ordinary business operations, because sourcing is inextricably linked to the fundamental core of the Company’s business operations, namely the sale of products. The Company’s forestry policies also concern ordinary business operations because they have been crafted in the context of sourcing wood pulp for Company products. Disclosures concerning the Company’s “primary forest footprint” and the actions the Company would take pursuant to the Proposal involve ordinary business matters because these disclosures and actions are in furtherance of the Proposal’s desire to alter Company products by changing what materials the Company can source to manufacture those products. While the Proposal expresses policy views regarding wood pulp sourcing, these sentiments are ultimately focused on how the Company uses wood pulp in its products. The Proposal’s comments regarding carbon emissions, human rights and FPIC are peripheral to the subject matter and

⁶ The Company’s Supplement and Wood Pulp Sourcing Policy outline the Company’s clear and unambiguous support of FPIC. As stated in both the Supplement and the Wood Pulp Sourcing Policy, “P&G respects the rights of indigenous and local communities to give or withhold their free, prior, and informed consent (FPIC) for development of land they own legally, communally or by customary rights.” The Supplement and Wood Pulp Sourcing Policy also outline the Company’s expectations for its suppliers regarding FPIC: FPIC processes should be done in a culturally appropriate manner and follow credible methodologies such as the Guidelines on Free, Prior and Informed Consent of the United Nations Collaborative Programme on Reducing Emissions from Deforestation and forest Degradation (UN-REDD) and the Free, Prior and Informed Consent Manual of the Food and Agriculture Organization of the United Nations (FAO).

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actions to be taken pursuant to the Proposal and do not have a bearing on the overall interpretation of the Proposal.

The Staff has permitted the exclusion of proposals under Rule 14a-8(i)(7) even where significant social policy issues have been raised in the body of a proposal. *See Amazon.com, Inc.* (Apr. 8, 2022) (proposal requesting a report on the distribution of stock-based incentives throughout the company's workforce was excludable under Rule 14a-8(i)(7) as the proposal "relate[d] to, but [did] not transcend, ordinary business matters"); *BlackRock, Inc.* (Apr. 4, 2022) (proposal requesting a public report on the potential risks of omitting "viewpoint" and "ideology" from the company's EEO policy was excludable under Rule 14a-8(i)(7) as the proposal "relate[d] to, but [did] not transcend, ordinary business matters"); *The Goldman Sachs Group, Inc.* (Mar. 8, 2022, *recon. denied* Mar. 21, 2022) (proposal requesting a study on the external costs created by underwriting multi-class equity offerings was excludable under Rule 14a-8(i)(7) as the proposal "relate[d] to, but [did] not transcend, ordinary business matters"); and *The TJX Companies, Inc.* (Apr. 9, 2021) (a proposal seeking information about the company's monitoring of supplier compliance with the Company's policy that prohibited prison labor was excludable under Rule 14a-8(i)(7) because the proposal "[did] not transcend the [c]ompany's ordinary business operations"). As held by the Staff in the various no-action letters cited above, secondary references to significant social policy issues will not automatically immunize a proposal from exclusion under the ordinary business exception if the proposal does not focus on a significant social policy issue. The central focus of the Proposal is the adoption of a policy on deforestation and degradation with a goal of eliminating wood pulp sourcing from primary forests in the Company's supply chains: this focus directly implicates the Company's ability to sell its products and further implicates ordinary business matters such as product development and supplier oversight. The Proposal does not focus on a significant social policy issue and therefore should be excluded under Rule 14a-8(i)(7).

B. The Proposal should be excluded under Rule 14a-8(i)(7) because it seeks to micromanage the Company.

Micromanagement Overview

The Commission and Staff have long held that a proposal that seeks to micromanage a company is excludable under Rule 14a-8(i)(7). The Commission has stated that the exclusion of a proposal under Rule 14a-8(i)(7) on the grounds that the proposal micromanages a company "may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." *Id.* The Commission further stated that the micromanagement consideration stands for "the general proposition that some proposals may intrude unduly on a company's 'ordinary business' operations by virtue of the level of detail that they seek." *Id.*

The Proposal micromanages the Company and its forestry policies and programs by imposing specific methods for implementing complex policies, seeks intricate detail, and supplants and limits the judgement of management and the board of directors. The Proposal requests that the Company adopt a policy on deforestation and degradation, set a goal of eliminating sourcing of wood pulp from primary forests by 2030 and also to disclose the Company's "comprehensive primary forest footprint as soon as practicable." The Proposal is concerned with the Company's forestry practices, their relation to primary forests, and the

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sourcing of wood pulp. The actions required by the Proposal probe too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment and seek to micromanage the Company to such a degree that exclusion of the Proposal is appropriate under Rule 14a-8(i)(7).

The Proposal Micromanages the Company's Forestry Policies and Programs By Imposing Specific Methods for Implementing Complex Policies

The Proposal's request that the Company eliminate sourcing of wood pulp from primary forests micromanages the Company by imposing a specific method (eliminating wood pulp sourced from primary forests) for implementing a complex policy (the responsible sourcing of materials for the Company's consumer products). The Proposal probes deeply into the ordinary business operations that undergird the Company's manufacture of consumer products that contain wood pulp. The Company's supply chain for wood pulp is complex. Wood pulp is created through the harvesting of mature trees from publicly and privately-owned forests. This harvesting is prompted largely by other purposes, such as harvesting for lumber. A forest is typically managed by a person who is distinct from the landowner and further distinct from the company harvesting or even milling the trees. Byproducts from lumber production and other timber are sold to pulp companies, and the Company buys pulp from these entities. The lumber industry is the main purchaser of wood products from these forests, and the Company is a relatively small stakeholder in the countries in which it sources pulp. The differing stakeholders in the pulp supply chain further compound its complexity. Additionally, the land from which wood pulp originates contains various species of trees and is located in various countries, topographies, and natural environments.

The Proposal would require the Company to assess whether each pertinent Company product was manufactured using wood pulp from a tree, in a primary forest, that was harvested, processed, and sold to the Company. This level of specificity is precisely the kind of complex action upon which shareholders are not in a position to make an informed judgment. The Proposal probes impermissibly into the Company's ordinary business operations and the logistical and organizational management of its supply chain. As noted above, the Company's responsible sourcing policies are robust yet complex because they mirror the intricacies of the Company's global supply chain for wood pulp. Eliminating sourcing from primary forests in the Company's wood pulp supply chain would impose a specific method for implementing this complex policy, and therefore micromanages the Company.

We also note that the Proposal would dictate the specific composition of the wood pulp that the Company sources from its suppliers. The Proposal would not require the Company to eliminate its sourcing of all wood pulp, but effectively mandates that the Company not source wood pulp made from certain trees that may have come from a primary forest. Determining the specific composition of wood pulp is an important component of the Company's production decisions, as different tree fibers are used for distinct purposes, provide unique performance benefits for consumers, and are even a source of competitive advantage for the Company. Conceivably, the Proposal would require that the Company not source some wood pulp that is physically the same as other wood pulp because the Proposal creates an artificial classification of permitted and non-permitted wood pulp. Such a classification is not contemplated by industry standards or in responsible sourcing classifications. In summary, the Proposal would dictate which categories of wood pulp are acceptable for the Company's use.

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The Proposal Micromanages the Company's Forestry Policies and Programs By Seeking Intricate Detail

The Proposal also seeks an intricate level of detail that micromanages the Company. The Proposal is concerned with the Company's forestry practices and eliminating sourcing from primary forests, but also requires the Company to disclose "its comprehensive primary forest footprint as soon as practicable" and update this disclosure "on an ongoing basis." As noted above, the Company does not own forestry land and does not manufacture wood pulp. The supporting statement does not elaborate or provide clarifying detail regarding this request and it is unclear how the Company would provide disclosures regarding a physical footprint that it does not have. It is possible that the Proposal is requesting that the Company disclose the primary forest footprint of its wood pulp suppliers. To satisfy the Proposal, the Company presumably would have to undertake a detailed, and potentially fruitless, investigation of its various supplier's physical forest footprints. Such an investigation would involve a complex and expensive assessment of supply locations, land management certifications and chain of custody certifications in the Company's land, harvesting and pulp mill supply chains. As noted above, the Company is not aware of any definitive industry or government mapping of primary forests in the jurisdictions where it sources wood pulp. The Proposal would require the Company to undertake expansive and detailed efforts to establish whether its wood pulp is sourced from primary forests, as defined by the Proposal, even before acting to eliminate that sourcing. The Proposal's potential request for elaborate information regarding the physical forestry footprint of the Company's wood pulp suppliers may be impracticable and impermissibly micromanages the Company by seeking intricate detail.

The Proposal Micromanages the Company's Forestry Policies and Programs By Supplanting and Limiting the Judgement of Management

The Proposal further micromanages the Company's forestry practices and responsible sourcing policies by substituting the proponent's own goals in place of the Company's current goals of no deforestation, no degradation, and ensuring the responsible management of the world's forests and conscientious use of forest products. The language of the Proposal itself indicates a clear intention to micromanage the Company's *existing* forestry policies and programs: the Proposal states that "PG's commitments and actions fall short" and states that the Company's current policies and programs are "insufficient." The Company's existing forestry and responsible sourcing policies and programs have been carefully developed and calibrated to responsibly meet the Company's goals. The Proposal would impose specific and granular methods for implementing the Company's global-reaching forestry practices and programs in substitution of the Company's own methods. The specific cast of the Proposal leaves no discretion to management in the application of the Proposal. By requiring the Company to eliminate sourcing from primary forests "as rapidly as possible," the Proposal supplants and limits the judgement of management to such a degree as to micromanage the Company.

The Company's forestry policies and programs for responsibly sourcing materials are public commitments by the Company. As noted above, the Company published a comprehensive Forestry Practices Report in March of 2021 that was based on a review conducted by the Company to identify opportunities to increase the scale, pace, and rigor of the Company's forestry efforts. This report, in conjunction with the Company's other Forestry Materials,

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outlines management's strategy for responsibly sourcing materials in the Company's supply chain as well as the Company's overall forestry practices. The report notes the multiple criteria the Company uses for sustainable forest management, including:

- Ensuring no deforestation;
- Replanting and reforestation after harvesting;
- Preserving water, soil and air;
- Protecting biodiversity;
- Respecting the right of Indigenous peoples; and
- Protecting endangered species.

The Proposal would seek to supplant the Company's comprehensive approach to forestry issues with the proponent's singular focus on primary forests, thereby impermissibly micromanaging the Company.

Additionally, the Company has specific policies, initiatives, and goals in place to address responsible sourcing and sound forestry practices that would be disrupted by the Proposal's call for a specific strategy focused solely on primary forests. For example, the Company is committed to working directly with supply chain partners and NGOs to grow the supply of Forest Stewardship Council (FSC)-certified wood pulp in order to overcome the low supply of FSC-certified materials currently available. FSC is one of the world's most trusted forest certifications and sourcing FSC certified wood pulp is an important element of the Company's forestry practices. The Company has set specific FSC certification targets for its Family Care (paper) business:

- sourcing 75% FSC-certified wood pulp before 2022;
- sourcing 95% FSC-certified wood pulp from Ontario and Quebec, areas of focus for caribou protection, by 2022; and
- pursuing 100% FSC-certified wood pulp sourcing by 2030.

The Company successfully met the 2022 targets noted above. The Company also requires its wood pulp suppliers to be certified by third party certification systems, including the FSC, Sustainable Forestry Initiative, and Programme for the Endorsement of Forest Certification. These three forest certification systems, used by 100% of the Company's wood pulp suppliers, require that suppliers adhere to the multiple criteria for sound forest management, as noted above.

The Company's broad forestry practices and programs for responsible wood pulp sourcing would be impermissibly micromanaged by the call to eliminate sourcing from primary forests. Sourcing from certain classifications of forests is just one of the larger set of forest management issues that are considered by both the Company and the leading certification frameworks. As there is no definitive industry or government mapping of primary forests, the Proposal would require the Company to first undertake a multinational project to determine what forests in the jurisdictions in which it sources wood pulp are primary forests as defined by the Proposal. Requiring the elimination of sourcing from primary forests at the expense of the Company's other forestry initiatives would involve a complex reassessment of supply locations, land management certifications and chain of custody certifications in the land, harvesting and

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pulp mill supply chains. Such a reassessment, and the implementation of a goal to eliminate sourcing from primary forests “as rapidly as possible,” would directly micromanage the Company’s tiered FSC-certified wood pulp goals as well as the multiple criteria (noted above) that the Company requires its suppliers adhere to. The acquisition of wood pulp from new or existing sources would impact management’s existing responsible sourcing goals and timeline and would act to limit the judgment and discretion of management in such a way as to micromanage the Company.

Exclusion Under Rule 14a-8(i)(7) Due to Micromanagement Would be Consistent with Recent Staff No-Action Letter Decisions

The Staff has previously found that a proposal micromanages a company, and is therefore excludable under Rule 14a-8(i)(7), where it imposes specific methods for implementing complex policies, seeks intricate detail or limits the flexibility and discretion of management and the board of directors. *See Johnson & Johnson* (“JLens”) (Feb. 12, 2020) (proposal concerning awards granted under an annual cash incentive program was found to have micromanaged the company by imposing specific methods for implementing complex policies); *Johnson & Johnson* (“Vermont Pension Investment Committee”) (Feb. 12, 2020) (proposal requesting justifications when financial performance measures are adjusted to exclude legal or compliance cost was found to have micromanaged the company by seeking intricate detail); and *Exxon Mobil Corporation* (Mar. 6, 2020) (proposal requesting the formation of a new board committee on climate risk was found to have micromanaged the company by limiting the board’s flexibility and discretion). *See also Verizon Communications Inc.* (Mar. 17, 2022) (the proposal micromanaged the company by “probing too deeply into matters of a complex nature by seeking disclosure of intricate details regarding the [c]ompany’s employment and training practices”); *American Express Co.* (Mar. 11, 2022) (same); *Deere & Co.* (Jan. 3, 2022) (same).

The Staff has further indicated that proposals relating to company products, and the materials within those products, can micromanage a company and are excludable under Rule 14a-8(i)(7). In *RH* (May 11, 2018) the Staff held that a proposal encouraging the company “to enact a policy that will ensure that no down products are sold” micromanaged the company by seeking to impose specific methods for implementing complex policies and was excludable under Rule 14a-8(i)(7). The Staff similarly held in *Amazon.com, Inc.* (“Oxfam America”) (Apr. 3, 2019) that a proposal that urged the company to “commit to conducting and making available to shareholders human rights impact assessments for at least three food products the [c]ompany sells that present a high risk of adverse human rights impacts” micromanaged the company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management.

The *RH* proposal concerned down feathers used in certain Restoration Hardware products and sought the enactment of a policy to ensure that no down products were sold by the company. The *RH* proposal discussed the company’s use of “down-alternatives” and suggested that the “transition” and “phasing out” of down products would be feasible given that the company already used down-alternatives inside some of its products. Just as the *RH* proposal was focused on eliminating down materials from being included in products sold by Restoration Hardware, so too does the Proposal focus on eliminating primary forest-sourced wood pulp from products sold by the Company. Both the *RH* proposal and the Proposal refer to proponent-

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acceptable materials used within company products (down-alternatives and non-primary forest-sourced wood pulp, respectively) and both proposals supplant management's decisions regarding the composition of company products for the proponents' specific preferences. The Staff determined that the *RH* proposal micromanaged the company by seeking to impose specific methods (eliminating certain materials used in company products) for implementing complex policies (determining what components to include within the materials used to fashion certain company products). The Proposal is analogous to the *RH* proposal and accordingly, micromanages the Company to such a degree as to be excludable under Rule 14a-8(i)(7).

The *Amazon* proposal requested that the company commit to assessing human rights impacts "for at least three food products Amazon sells that present a high risk of adverse human rights impacts." The *Amazon* proposal also stated that the assessments "should specify the standards used, identify and assess actual and potential adverse impacts associated with the product and describe how the findings will be integrated in order to prevent and/or remedy impacts." The supporting statement made clear that the proposal was concerned with Amazon's supply chain and expected that the human rights assessments would cover certain "product types across suppliers." Not only did the *Amazon* proposal seek to impose specific methods for implementing complex policies, but its focus on human rights considerations in the company's supply chain was aimed at supplanting the judgement of management. Amazon noted that it had already "undertaken numerous initiatives to address this issue in ways that the [c]ompany believes are best for its customers, its business, people involved in the supply chain, and the planet." The *Amazon* proposal's call for a detailed analysis of the human rights impacts of three products, when the company had already developed initiatives to address the wider issue implicated by the proposal, mirrors the Proposal's call for of the elimination of sourcing from primary forests when the Company has already developed initiatives to address the wider issues implicated by the proposal, including the elimination of deforestation, forest degradation and the responsible sourcing of materials. Both proposals impose specific methods for implementing complex policies in place of the ongoing judgments of management. As with the *Amazon* proposal, the Proposal micromanages the Company and is therefore, excludable under Rule 14a-8(i)(7).

CONCLUSION

Based on the foregoing analysis, and on behalf of the Company, we respectfully request that the Staff concur that the Company may exclude the Proposal and supporting statements from its 2022 proxy materials under Rule 14a-8(i)(7).

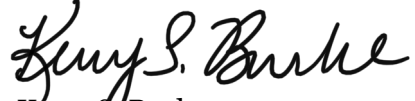
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If the Staff disagrees with the Company's view that it can omit the Proposal, we request the opportunity to confer with the Staff prior to the final determination of the Staff's position. If the Staff has any questions regarding this request or requires additional information, please contact me at (202) 662-5297.

Very truly yours,



Kerry S. Burke

cc: Aaron B. Shepherd
Director & Assistant General Counsel
The Procter & Gamble Company

Thomas Peterson
Green Century Capital Management

Exhibit A



April 29, 2022

The Procter & Gamble Company
c/o The Corporate Secretary's Office
One Procter & Gamble Plaza
Cincinnati, OH 45202-3315

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Corporate Secretary,

Green Century Capital Management, Inc. (Green Century) is the investment advisor, agent, manager and representative of the Green Century Funds. Green Century Capital Management Inc. is filing the enclosed shareholder proposal on behalf of the Green Century Equity Fund (the "Proposal") to be included in the proxy statement of The Procter & Gamble Company (PG) (the "Company") for its 2022 annual meeting of shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, the Green Century Equity Fund is the beneficial owner of at least \$25,000 worth of the Company's stock. We have held the requisite number of shares for over one year, and we will continue to hold sufficient shares in the Company through the date of the Company's 2022 annual shareholders' meeting. Verification of ownership from a DTC participating bank is enclosed.

Due to the importance of the issue and our need to protect our rights as shareholders, we are filing the enclosed proposal for inclusion in the proxy statement for a vote at the next shareholders' meeting.

We are available to meet with the Company via teleconference on May 26th and 27th, 2022 between 10 a.m. and 12 p.m. Eastern Time. If neither of these times is acceptable, we can provide additional options.

We would welcome the opportunity to discuss the subject of the enclosed proposal with company representatives. Please direct all correspondence to Thomas Peterson, Shareholder Advocate at Green Century Capital Management. He may be reached at [REDACTED] and [REDACTED].

We would appreciate confirmation of receipt of this proposal via email, as encouraged by SEC Staff Legal Bulletin No. 14L (CF).

Thank you for your attention to this matter.

Sincerely,

GREEN CENTURY CAPITAL MANAGEMENT, INC.
114 State Street, Suite 200 ▪ Boston, MA 02109
tel 617-482-0800 ▪ fax 617-422-0881
www.greencentury.com



Leslie Samuelrich
President
The Green Century Funds
Green Century Capital Management, Inc.

GREEN CENTURY CAPITAL MANAGEMENT, INC.
114 State Street, Suite 200 ▪ Boston, MA 02109
tel 617-482-0800 ▪ fax 617-422-0881
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Whereas: Procter & Gamble (PG) is one of the largest pulp product manufacturers globally. Wood pulp is among the leading drivers of primary forest degradation.

According to the Convention on Biological Diversity, a primary forest is “a forest that has never been logged and has developed following natural disturbances and under natural processes.” Primary (sometimes also called “intact”) forests store 30-50 percent more carbon than previously disturbed forests and harbor unique biodiversity. Experts from the International Union for Conservation of Nature argue that “we cannot resolve the climate or biodiversity crises without prioritizing the protection of primary forests.”

The latest Intergovernmental Panel on Climate Change report found that “avoiding the conversion of carbon-rich primary peatlands, coastal wetlands and forests is particularly important as most carbon lost from those ecosystems are irrecoverable through restoration by the 2050 timeline of achieving net zero carbon emissions.”

Thirty-four percent of PG’s pulp comes from Canada, including from primary boreal forests. Canada’s boreal, which constitutes 25 percent of the world’s remaining intact forest and stores twice as much carbon per hectare as tropical forests, experiences the third highest rate of intact forest landscape loss globally. Industrial logging in Canada releases tens of millions of metric tons of carbon annually, which are emissions roughly equivalent to Canada’s tar sands production, with demand for pulp a significant driver of this forest clearcutting.

PG has not adopted a time-bound commitment to eliminate forest degradation, inclusive of sourcing from primary forests and intact forest landscapes, and faces ongoing concerns about insufficient actions to ensure the protection of human rights in the company’s supply chains. PG’s commitments and actions fall short of investors’ expectations. In 2020, voting shareholders approved a resolution urging PG to assess “eliminat[ing] deforestation and the degradation of intact forests in its supply chains.”

PG sources significant volumes of pulp that are covered by weak certification systems like SFI and PEFC, while PG’s timeline for achieving full FSC certification for wood pulp stretches until 2030. Certification alone is insufficient, and SFI, PEFC, and FSC Controlled Wood certification systems expose PG to controversial suppliers.

In its 2021 10-K, PG acknowledges reputational damage could materially impact company finances. PG’s inadequate enforcement of free, prior, and informed consent (FPIC) and continued sourcing from primary forests has subjected it to escalating public pressure campaigns from 135 organizations, and to high-profile media criticism.

To align with the COP26 Glasgow Leaders’ Declaration commitment to “work collectively to halt and reverse forest loss and land degradation by 2030,” PG must eliminate primary forest sourcing as rapidly as possible.

Resolved: Shareholders request that Procter & Gamble adopt a policy on deforestation and degradation that includes a goal of eliminating sourcing of wood pulp from primary forests by 2030 in alignment with international goals, and report on progress in implementing the policy by disclosing its comprehensive primary forest footprint as soon as practicable and on an ongoing basis.

Exhibit B



FORESTRY PRACTICES REPORT SUPPLEMENT

Following the publication of our [Forestry Practices Report](#) in March 2021, P&G received a request for additional information on our forestry practices, including the Company's assessment of the benefits and drawbacks of committing to eliminate sourcing from intact forests in its wood pulp and palm oil supply chains. In keeping with our goal of transparency, we are pleased to provide the following supplemental discussion of our footprint and several aspects of our forestry sourcing practices, including whether a commitment to eliminate certain sourcing would be prudent for the Company and its stakeholders. We continue to provide additional information on our forestry practices and impact generally on our ESG for Investors site at <https://www.pginvestor.com/esg/environmental/forestry>.



INTACT FOREST LANDSCAPES, INTACT FOREST AREAS, HIGH CONSERVATION VALUE (HCV), AND HIGH CARBON STOCK (HCS) FORESTS

P&G uses wood pulp, palm oil, and palm kernel oil in several of our product categories. Each of these materials has a different supply chain, and we have developed tailored policies and approaches to managing our impact in each. Even though we do not own or manage commercial forests and our footprint is relatively small in both the palm oil and wood pulp supply chains, we continue to play a key role in working to ensure that our procurement and manufacturing practices promote sustainability of the world's forest resources.

Intact forest landscapes (IFLs) are generally understood as significant, unbroken forest areas minimally impacted by human activity.¹ High Conservation Value (HCV) forests are areas that have been designated to have critical or important environmental, cultural, ecological, or landscape values, which can include IFLs. Similarly, High Carbon Stock (HCS) forests are areas of high biodiversity and carbon in tropical regions, as identified by the High Carbon Stock Approach.

In assessing our impact on these forest areas and the robustness of our current practices and commitments, we have looked at various aspects, including:

- P&G's policies and commitments
- Requirements of highly regarded certification systems
- P&G's footprint
- P&G's ability to maintain and expand its positive influence in the industry

Overall, we already prohibit the conversion of these forest areas in our palm oil supply chain, and we conclude that a wholesale commitment to eliminate sourcing from IFLs in our wood pulp supply chain would have unintended consequences that would drive more negative than positive impacts for both conservation efforts and the Company.

PALM OIL

As described further in this supplement, P&G's [Palm Oil Sourcing Policy](#) effectively prohibits the conversion of intact forest landscapes for palm oil production. Palm oil is produced from the fruit of the oil palm tree. The palm fruit is harvested from trees located on both large oil palm plantations and smallholder farms. After each harvest, the oil palm tree continues to grow and produce fruit during its lifespan. As palm fruit is processed to

¹ This general definition is based on the widely-used Global Forest Watch and IFL Mapping Team definition of an intact forest landscape (<https://www.globalforestwatch.org/> and <https://glad.umd.edu/intactforests/method.html>), which we use when discussing IFLs throughout this supplement.

produce palm oil, the palm kernels—the seeds of the palm fruit—are separated and crushed to create palm kernel oil. P&G primarily purchases this palm kernel oil, not palm oil.

P&G's overall palm oil footprint is relatively small. P&G currently uses less than 1% of the global palm oils production. Further, most of this use is palm kernel oil, a byproduct of palm oil production. Despite this relatively small footprint and the fact that P&G does not own or play a direct role in the cultivation of palm, we nevertheless believe it is possible to work for and towards sustainable and responsible palm use broadly in the industry.

As outlined in our [Palm Oil Sourcing Policy](#), we prohibit new development on HCV and HCS forests and reference the HCS Approach as the integrated methodology for assessing HCS and HCV landscapes. These provisions are also incorporated into the Roundtable for Sustainable Palm Oil Production (RSPO) Principles & Criteria.² Both of these forest designations, HCV and HCS, generally include IFLs in their scope. Accordingly, the inclusion of these elements in our Policy and our requirement for suppliers to follow RSPO P&Cs effectively prohibit conversion of IFLs for palm production.

Based on our analysis of our current policies, certification programs, and related efforts, we believe our robust Palm Oil Sourcing policy and approach, which prohibits conversion of HCS and HCV forests (and therefore, IFLs) in our palm oil supply chain, remains appropriate and in both the Company's and its many stakeholders' best interests.

WOOD PULP

Similarly, P&G is committed to sourcing wood pulp responsibly, ensuring that forests in our supply chain are managed sustainably and in line with our policies. Wood pulp is largely a byproduct of the lumber industry. The best mature trees are harvested and cut into high-value lumber products. The byproducts of these higher-quality trees, like chips and shavings, are combined with other timber to create wood pulp for use in making paper products. Because the production of lumber and wood pulp requires the harvesting of trees, P&G's [Wood Pulp Sourcing Policy](#) focuses on prohibiting deforestation and illegal logging, protecting HCV forests, supporting human rights (including Free, Prior, and Informed Consent), securing third-party certification, monitoring supplier compliance, and transparently addressing grievances.

Regarding sourcing from HCVs and IFLs, P&G's Wood Pulp Sourcing Policy prohibits deforestation—the conversion of forests to non-forest uses—and protects these forest areas by requiring that our suppliers not harvest from such areas without third-party certification. We believe that requiring certification helps ensure that HCVs and IFLs are properly identified, managed in collaboration with local stakeholders, and monitored for ongoing health and status.

Specifically, and as outlined further in our Forestry Practices Report and on our ESG for Investors, P&G requires 100% of the wood pulp we source to be certified by a third-party certification system that ensures forests are responsibly managed. Our current certification systems are the [Forestry Stewardship Council \(FSC\)](#), [Sustainable Forestry Initiative](#), and [Programme for the Endorsement of Forest Certification](#). These systems also require regular

² The RSPO is a global, multi-stakeholder initiative that provides certification of sustainably produced palm oil. The 2018 RSPO Principles and Criteria integrate the requirements of P&G's sourcing policy and provides a highly regarded standard for biodiversity protection and assurance. P&G requires suppliers to be members of RSPO, and we are on target to achieve our accelerated goal of 100% RSPO certified palm oil for all P&G brands by the end of 2021.

audits by independent third-party certification bodies, such as Preferred by Nature, PwC, SCS Global Services, SGS, SAI Global, KPMG, and others.

In evaluating our certification systems, we maintain a preference for FSC certified fibers and continue to press for their expanded sourcing. FSC standards require the protection—i.e., non-harvesting—of 60-80% of an IFL over its lifetime,³ regardless of how the timber is used or whose supply chain it enters, and these standards apply to all P&G suppliers. This limited harvesting is permitted to help balance the important needs of the environment, biodiversity, and Indigenous groups and the economic needs of workers and local communities. Because of this restrictive approach and our geographic footprint, we estimate that less than 1% of P&G's global wood pulp sourcing includes IFLs. And these areas are responsibly managed as described in this supplement and our Forestry Practices Report and policies.

This also reflects P&G's relatively small footprint in the wood pulp industry overall. For example, P&G purchases less than 3% of the wood pulp produced in Canada (whose forests we recognize are an area of focus for stakeholders) and only about 1% of the wood pulp used in the United States. When viewed as a percentage of the overall wood products produced by the lumber industry, P&G uses significantly less than 1% of Canada's wood products. In addition, more than 90% of Canada's forests are on publicly owned land, and the Canadian government prohibits deforestation and closely regulates harvesting practices and applies land-use planning requirements through legislation and other policies.

We have further researched whether a commitment to eliminate P&G's small amount of wood pulp sourced from IFLs would have the benefit of helping conserve forest land. Although such a commitment would theoretically remove these areas from P&G's supply chain, our assessment is that it would not eliminate their use in the industry generally or likely conserve any incremental forest land. Specifically, based on our extensive sourcing experience and conversations with suppliers and other stakeholders, we do not believe that we can practically dictate that our suppliers not source wood pulp that may include a small amount of fibers from IFLs. In fact, we expect that making such a commitment and mandate would likely have the unintended consequence of simply shifting this supply to other industries and companies globally, many of whom may be willing to accept less responsible practices or requirements for their sourcing. Such a commitment would also practically limit P&G's wood pulp supply and hinder our ability to make the high-performing paper products that consumers want and need, significantly impacting our business. We are also not aware of any IFL requirements in any recognized certification or a similar commitment in any large manufacturer's forestry policies.

As a result, we believe the benefits of committing to eliminate sourcing from IFLs and related forest areas in our wood pulp supply chain are currently far outweighed by the downsides. As described above, such a commitment is unlikely to conserve incremental forest land. In fact, it is more likely to remove P&G as a voice for responsible sourcing practices in the industry. Accordingly, we continue to believe that our Wood Pulp Sourcing Policy and commitments, marked by seeking to achieve the highest levels of certification where possible and providing significant transparency on our efforts, position P&G to have industry-leading practices that enable us to provide consumer-preferred products, promote long-term value, and safeguard forest health for generations to come. By

³ FSC standards also use the Global Forest Watch definition of an intact forest landscape (<https://www.globalforestwatch.org/>). in

adhering to these standards and working broadly to influence the industry, we can better help ensure IFLs and related forest areas are broadly conserved.

FREE, PRIOR, AND INFORMED CONSENT (FPIC)

In assessing our approach, we also wanted to provide additional clarity on how P&G's forestry policies address FPIC. Both our [Palm Oil Policy and Supplier Expectations](#) and our [Wood Pulp Sourcing Policy](#) explicitly respect and protect human rights, which are fundamental to the way we manage our business. Not only do we support the [U.N. Guiding Principles for Business and Human Rights](#), we expect our suppliers to have the necessary policies and procedures in place to follow our [Responsible Sourcing Guidelines for External Business Partners](#).

These policies and procedures include supporting the [United Nations Declaration on the Rights of Indigenous Peoples](#), which declares that indigenous peoples have the right to full enjoyment, as a collective or as individuals, of all human rights and fundamental freedoms. P&G respects the rights of indigenous and local communities to give or withhold their free, prior, and informed consent for development of land they own legally, communally, or by customary rights. The FPIC processes should be done in a culturally appropriate manner and follow credible methodologies such as the [UN-REDD \(2012\) Guidelines on Free, Prior and Informed Consent](#) and [FAO \(2015\) Free, Prior and Informed Consent Manual](#). In addition, each of the certification systems we use in our forest supply chains—FSC, SFI, PEFC, and RSPO—has specific provisions that speak to ensuring FPIC.

We discuss further below our approach to monitoring our suppliers' compliance with these expectations.

COMPLIANCE MONITORING AND ACTION

In evaluating our commitments and efforts, we also recognize the need to continue to monitor compliance with our policies and take appropriate corrective action where necessary. In our compliance monitoring program and our non-compliance protocols, we use several strategies.

For example, in our palm oil supply chain, we use satellite monitoring technology to detect forest clearance that may violate our Policy. Our monitoring partner [Earthqualizer](#) directly sends us alerts of any potential non-compliance. If we receive such an alert, whether via our satellite monitoring or other credible sources, we follow a formal grievance management process and publicly report the status of grievances via an online report. This strategy helps us address issues when they do occur and ensure that we remain an advocate for responsible palm oil sourcing globally.

Similarly, we continuously review wood pulp suppliers to ensure they provide us with sustainably sourced fiber and follow our [Wood Pulp Sourcing Policy](#) and certification standards, including respecting FPIC. For example, P&G conducts with each supplier semi-annual sustainability audits, biennial forest field assessments, and quarterly evaluations of sustainability efforts and plans. We also conduct annual sustainability summits with our Canadian suppliers. If non-compliance is identified, we work with our suppliers and certification partners to investigate these claims and take appropriate actions, which are shared on our [ESG for Investors site](#).

Across our palm oil and wood pulp policies, our non-compliance protocols and actions can include:

- Immediate halts to further development activities or suspension of down-stream purchasing from the area in question
- Reduced purchases
- Suspension or elimination of purchases
- Termination of agreements
- Development of restoration or compensation plans, as appropriate

Our compliance and grievances processes are outlined in each policy, again available on the Forestry section of our [ESG for Investors site](#). In addition, P&G has a [P&G Business Conduct System](#) to allow those both inside and outside the Company to raise concerns.

We continue to examine and further develop and strengthen our non-compliance protocols in our palm oil and wood pulp, including their application to our supplier's enterprise-wide operations, and will continue to provide updates in our public policies and on our ESG for Investors.

Exhibit C



FORESTRY PRACTICES REPORT MARCH 2021

P&G conducted an assessment to identify opportunities to increase the scale, pace, and rigor of our efforts to eliminate deforestation and the degradation of intact forests in our wood pulp and palm oil supply chains. This report provides additional background, summarizes key findings, and highlights the outcomes and new actions we are taking in this important area.



EXECUTIVE SUMMARY

P&G is committed to responsible sourcing of materials like wood pulp, palm oil, and palm kernel oil, which we use in several of our product categories. These materials help us meet consumers' needs and demands for high performing products that improve their lives, and we continually work to ensure that we are following responsible practices in our supply chains for them. To help us further enhance our responsible sourcing work, P&G engaged internal and external stakeholders, including expert teams, key suppliers, and NGOs, to review our current wood pulp and palm oil sourcing practices and progress, to assess opportunities to increase the scale, pace, and rigor of our efforts, and ultimately to identify additional specific actions we could take. While P&G's existing efforts have been comprehensive, rigorous, and delivering significant progress in ensuring responsible sourcing practices, we identified and committed to several new actions and goals:

- We have accelerated the pace of our certification targets – accelerating our Palm Oil RSPO (Roundtable on Sustainable Palm Oil) certification target by 1 year and our wood pulp FSC (Forest Stewardship Council) certification target by 3 years for our Family Care business.
- We have adopted new, industry leading FSC certification targets for our P&G Family Care business – committing to source 75% FSC-certified wood pulp before 2022. As part of this accelerated progress, 95% of wood pulp we source from Ontario and Quebec, areas of focus for caribou protection, will be FSC certified before 2022. P&G Family Care has also declared a new ambition to achieve 100% FSC certification by 2030 and will work with partners to try and overcome the low supply of FSC-certified fibers available, which stands in the way of that goal today.
- We have implemented a new public reporting process to share information on the palm grievances we receive via our grievance reporting systems, and we have already published our first Palm Oil grievance tracking report.
- We have increased the transparency and scope of data reporting on our forestry practices – significantly increasing data on our wood pulp and palm oil sourcing, creating a new ESG portal to provide improved access to information on our overall ESG efforts (including Forestry), and we will report to CDP's Forestry Survey.
- We have updated our Palm Oil, Paper Packaging and Wood Pulp Sourcing Policies – providing greater transparency and integrating additional rigor into our supply chain expectations.
- Going beyond our responsible sourcing compliance, we continue to expand the scale of our efforts to protect, improve and restore forests and improve livelihoods. This includes a new partnership with WWF-Malaysia (World Wildlife Fund) to protect the Malayan tiger and its habitat.

We describe our assessment process and detailed conclusions further below. Comprehensive information on our expanded efforts, policies, and reporting is available in the Forestry section of our ESG portal:

<https://www.pginvestor.com/esg/environmental/forestry/default.aspx>. Overall, our assessment reinforced that issues related to wood pulp and palm oil can be complex and challenging. We continue to learn from our supply chain and NGO partners and value the input they have provided to help inform our efforts. Further accelerating efforts will require all stakeholders – industry, government, and civil society – to work together. As a result, we will look for opportunities to continue to partner with others to help further accelerate positive impacts and will remain committed to transparently communicating our progress.

Certain statements in this report including estimates projections statements relating to our plans objectives and expected results and the assumptions upon which those statements are based are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believe" "project" "expect" "anticipate" "estimate" "intend" "strategy" "future" "opportunity" "plan" "may" "should" "will" "would" "will be" "will continue" "will likely result" and similar expressions. Forward-looking statements are based on current expectations and assumptions which are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements whether because of new information future events or otherwise except to the extent required by law. For additional information concerning factors that could cause actual results and events to differ materially from those projected herein please refer to our most recent 10-K/A 10-K 10-Q and 8-K reports.

REVIEW PROCESS

P&G has had wood pulp and palm oil policies and programs in place for many years and has taken action over the last five years to increase the breadth and impact our efforts. In Fiscal Year 2021, P&G conducted a detailed review of our forestry-related programs to assess if and how we could even further increase the scale, pace, and rigor of our efforts. This process included:

- Benchmarking our policies and performance vs. peers in our industry
- Consulting with NGO partners to solicit input and ideas
- Engaging with suppliers to assess the feasibility and challenges associated with accelerating current efforts
- Sharing initial conclusions from our assessment with some of our largest shareholders, providing them an opportunity to comment on the direction and ambition of our proposed actions

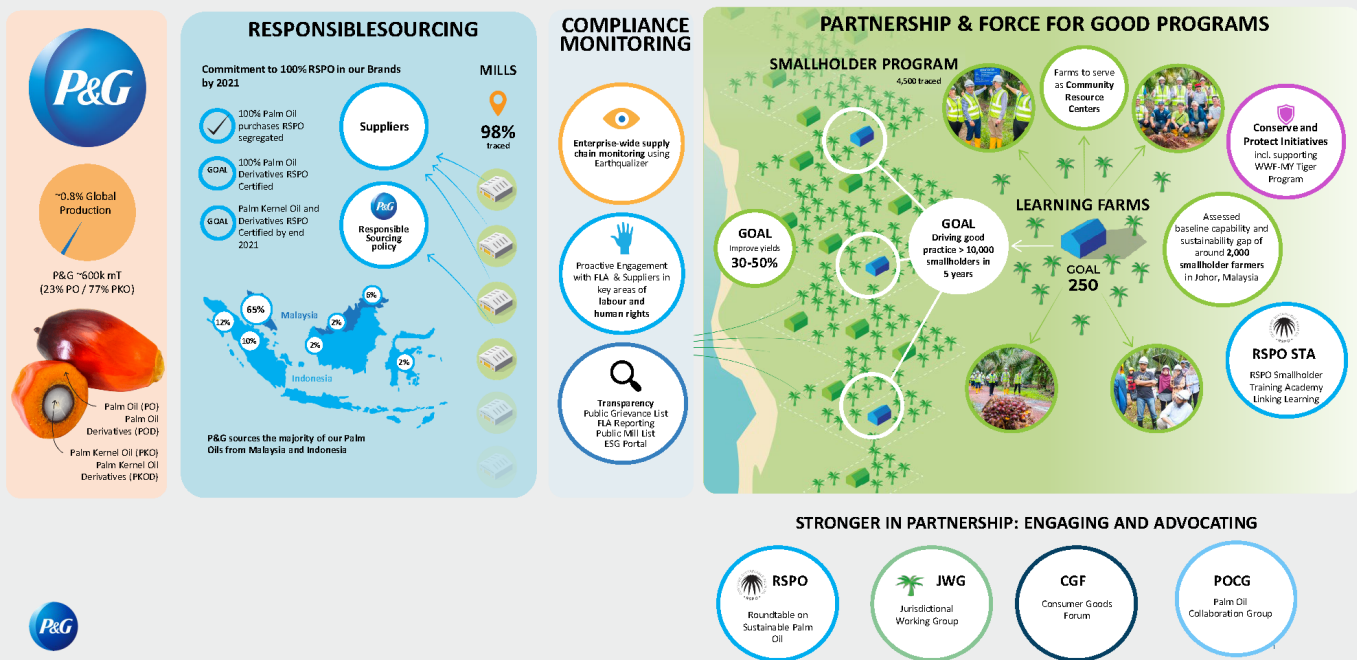
We then reviewed the findings and recommendations with key internal stakeholders and senior leaders, arriving at the conclusions and actions outlined in this report.

PALM OIL

P&G uses ingredients derived from palm oil and palm kernel oil in a range of products, including in our fabric care, home care, and beauty care businesses. P&G's efforts to ensure responsible sourcing of palm derived materials are focused on three main pillars:

- Responsible Sourcing (Sourcing Policies, Supply Chain Transparency, RSPO Certification Goals)
- Compliance Monitoring (Supply Chain Monitoring, Grievance Tracking & Reporting)
- Partnerships & Programs for Positive Impact (Improving Livelihoods, forest Conservation and restoration, driving and influencing Industry standards)

P&G PALM RESPONSIBLE PALM APPROACH



The infographic and tables below provide additional perspective on our overall efforts, use of palm materials, and current RSPO certification status. For additional details on our efforts, please see the Palm Oil Section of our ESG Portal:

<https://www.pginvestor.com/esg/environmental/forestry/palm-overview/default.aspx>

P&G RESPONSIBLE PALM OILS DATA

P&G's Responsible Palm Sourcing Policy holds all suppliers to the same high standards with respect to No Deforestation, No Peat and No Exploitation (NDPE). This applies to all our palm oil purchases regardless of whether the palm oils are RSPO certified or not. All suppliers must comply with our P&G Palm Oil Policy, P&G Responsible Sourcing Expectations for External Business Partners and RSPO's 2018 Principles and Criteria (P&C's)

I. P&G RESPONSIBLE SOURCING: PALM OILS USAGE AND RSPO CERTIFICATION STATUS

P&G has committed to achieving 100% RSPO certified palm oils usage in P&G Brands by end 2021

(MT= Metric Tons)

P&G Brands	FY 2018-2019		FY 2019-2020		FY 2020-2021	
	MT	% RSPO Certified	MT	% RSPO Certified	MT	% RSPO Certified
Palm Oil	48,802	100%	44,936	100%		
Palm Oil Derivatives	62,667	100%	62,996	100%		
Palm Kernel Oil	152,626	29%	169,626	44%		Current year data will be published after the close of FY20-21 which ends June 30, 2021.
Palm Kernel Oil Derivatives	85,322	0%	78,045	37%		
Total	349,417	45%	355,603	59%		

P&G Chemicals (PGC - our oleochemicals division) provides many of the palm materials used by P&G Brands. In addition, PGC also sells some materials to customers outside of P&G. To learn more please visit:

<https://www.pginvestor.com/esg/environmental/forestry/palm-overview/default.aspx>

(MT= Metric Tons)

P&G Total (P&G Brands+ PG Chemicals)	FY 2018-2019		FY 2019-2020		FY 2020-2021	
	MT	% RSPO Certified	MT	% RSPO Certified	MT	% RSPO Certified
Palm Oil	63,802	100%	59,736	100%		
Palm Oil Derivatives	62,667	100%	62,996	100%		Current year data will be published after the close of FY20-21 which ends June 30, 2021.
Palm Kernel Oil	288,694	16%	317,726	23%		
Palm Kernel Oil Derivatives	85,322	0%	78,045	37%		
Total	500,485	34%	518,503	43%		

	FY 2018-2019	FY 2019-2020	FY 2020-2021 ¹
P&G Palm Mill List Published	✓	✓	✓
P&G Palm Supplier List Published	✓	✓	✓

II. P&G PALM COMPLIANCE MONITORING

P&G Program	FY 2018-2019	FY 2019-2020	FY 2020-2021
Environmental Monitoring - Earthqualizer	-	✓	✓
Grievance Tracker Published	-	-	✓

III. P&G PALM FORCE FOR GOOD PROGRAMS

P&G Program	FY 2018-2019	FY 2019-2020	FY 2020-2021
Improving Livelihood - Smallholders	✓	✓	✓
Conservation/Protection - WWF-MY Tiger Program	-	-	✓

INSIGHTS & OUTCOMES FROM OUR ASSESSMENT

- We have accelerated our RSPO Certification Glidepath:** RSPO certification is a critical element of our supplier compliance program, as the RSPO 2018 Principles & Criteria integrate the requirements of our Palm Oil Sourcing Policy. P&G has maintained 100% RSPO certification for the Palm Oil and Palm Oil Derivatives used in P&G brands since 2018.



P&G also had an existing goal of achieving 100% RSPO certification for all Palm Kernel Oil (PKO) and Palm Kernel Oil derivatives (PKOD) used in P&G brands by the end of 2022. PKO/PKOD certification has been on a longer timeline due to industry supply constraints. Based on detailed assessment and continued supplier discussions regarding current and potential future supply options, we will now target to achieve 100% RSPO certification for PKO/PKOD materials used in P&G brands by the end of 2021, accelerating our previous target by a full year.

- We have implemented public grievance reporting:** In April 2020, we significantly enhanced our supplier compliance monitoring program by subscribing to Earthqualizer's satellite monitoring system, which issues alerts if it detects possible non-compliance with our Palm Oil Sourcing Policy. This system monitors not just our physical supply chain but also the enterprise-wide compliance of our suppliers. Our review reinforced that stakeholders are looking for additional

insight into the findings of this and other grievance reporting systems and the actions P&G is taking in response to reports. As a result, we will now implement a system to publicly share information on grievances we receive via the Earthqualizer system as well as P&G's existing grievance reporting system. In addition, we will share the actions taken against suppliers who have been in violation of our Palm Oil Sourcing Policy. Additional details on P&G's Palm Oil Grievance Tracker can be found here:

https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG_ESG_Palm_Oils_Grievance_Tracker_FINAL.pdf

3. **We have strengthened our Palm Oil Sourcing Policy:** Our review also identified the need to clarify and update certain aspects of our Palm Oil Sourcing Policy. Accordingly, we updated our supply chain expectations, clarifying and revising aspects like cut-off dates, restoration expectations, and the protection of human rights, land rights, and environmental supporters. We also integrated into the Policy the enhanced compliance monitoring and grievance tracking discussed above. Our updated policy can be found attached and here:
https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG_ESG_FOREST_POSITIVE_PALM_SOURCING_POLICY_FINAL.pdf
4. **We will continue to advance Conservation and Restoration Efforts:** P&G's palm oil efforts have included a formal program to improve the livelihood of palm smallholders (small, independent farmers) by helping them increase their yields from existing lands. P&G created the Centre for Sustainable Smallholders and is developing core learning farms, where agronomists work with smallholders to implement agricultural practices that have been shown to increase yields by up to 30%. **In 2019 we communicated our intent to expand the scale and scope of our efforts** to include conservation and protection of sensitive areas in key sourcing regions. After evaluating potential opportunities, we have now launched our first project: a partnership with WWF-Malaysia to support tiger conservation in Malaysia. Additional details on this effort can be found here: https://www.wwf.org.my/media_and_information/media_centre/?28585/PG-Partners-with-WWF-Malaysia-to-Protect-the-Malayan-Tiger-and-its-Habitat
5. **We are committed to continuing to review and identify opportunities** to increase our palm oil efforts. We have integrated these new program attributes into the information in our online portal and will continue to provide updates on our progress and programs here: <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/default.aspx>

WOOD PULP

P&G purchases wood pulp for tissue, towel, and absorbent hygiene products. Though we do not own or manage forests, we have a responsibility through our procurement practices to help ensure the sustainability of the world's forest resources. As such, we are committed to understanding our pulp fiber sources, providing transparency in sourcing, and ensuring that sustainable forest management practices are used in our supply chain.

In addition to our commitment that within our supply chain, for every tree we use, at least one is regrown, a critical component of our efforts has been to require that 100% of the wood pulp we source is certified by a leading third-party certification system that ensure forests are responsibly managed. The tables below provide additional perspective on our use of wood pulp and certification status. For additional details on our efforts please see the Wood Pulp section of our ESG Portal <https://www.pginvestor.com/esg/environmental/forestry/pulp/default.aspx>

Fiscal year	2014/15	2015/26	2016/17	2017/18	2018/19	2019/20
Total Tons Purchased (Millions of Air-Dried Metric Tons)	1.65	1.65	1.5	1.5	1.3	1.69
Sourcing by Country/Region (%)						
United States	610,500	627,000	495,000	480,000	364,000	625,300
Canada	462,000	445,500	465,000	495,000	455,000	523,900
Latin America	577,500	577,500	540,000	525,000	468,000	507,000
Europe					13,000	33,800
Third Party Program- % of Total						
FSC CoC	35	33	33	37	39	51
SFI	51	47	47	26	35	15
PEFC/CSA-SFM	15	18	18	30	22	15
FSC CW	-	2	2	7	4	19
Unclassified	-	-	-	-	-	-

II. FSC CoC = Forest Stewardship Council Chain of Custody

III. SFI = Sustainable Forestry Initiative

IV. PEFC/CSA-SFM = Programme for the Endorsement of Forest Certification/Canadian Standards Association Sustainable Forest Management standard

V. FSC CW = Forest Stewardship Council Controlled Wood

INSIGHTS & OUTCOMES FROM OUR ASSESSMENT

1. **We will accelerate Our Forest Stewardship Council Certification Glidepath:** Since 2015, P&G has required that 100% of the wood pulp we source is certified by a leading third party certification system (such as Forest Stewardship Council (<https://www.fsc.org/en/about-us>), Sustainable Forestry Initiative (<https://www.forests.org/who-we-are/>), and Programme for the Endorsement of Forest Certification (<https://www.forests.org/who-we-are/>). These systems ensure forests are responsibly managed and adhere to multiple criteria for sustainable forest management, including:
- Ensures no deforestation
 - Replanting and reforestation after harvesting
 - Preserves water, soil, and air
 - Protects biodiversity
 - Respects right of indigenous peoples (Free, Prior and Informed Consent as outlined in <https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>)
 - Protects endangered species

P&G prefers the Forest Stewardship Council (FSC) certification, one of the world's most trusted and robust forest certifications. Currently, however, the availability of FSC-certified pulp is insufficient to meet the demands of our industry. We have long been collaborating with our supply chain partners and stakeholders to increase FSC-certified forest acreage. In our assessment, we examined if and how we and our partners could accelerate our efforts to increase supply. One of the challenges that we continue to face is that P&G is a relatively small stakeholder in the countries where we source pulp. For example, we source 3% or less of the wood pulp from countries of origin and less than 1% of the total wood products being produced by these countries. Instead, the lumber industry is the main purchaser of wood products from these forests and would need to support the FSC certification efforts for more of our suppliers to become FSC certified.

Nevertheless, based on the groundwork we have laid over the last decade, we believe that P&G Family Care can accelerate its FSC commitment by three years. Now, P&G Family Care will work to ensure 75% of our wood pulp is FSC certified before 2022. As a component of this effort, before 2022, P&G Family Care will target having 95% of Ontario and Quebec wood pulp be FSC certified. Ontario and Quebec represent key areas of focus for the protection of caribou. In addition, P&G Family Care has a new ambition to deliver 100% FSC certified wood pulp by 2030. As our review and analysis confirmed, P&G's ability to increase the percentage of FSC certified fibers we purchase largely depends on an increase in the supply of FSC certified fiber available. This increase will require industry-wide effort.

**Accelerating our FSC
Certification Commitment**

BEFORE 2022 ← Before 2025

Sourcing at least 75% of wood pulp
from FSC certified sources

2. **We will strengthen Responsible Sourcing Efforts:** To deliver on this commitment P&G has strengthened our Wood Pulp Sourcing Policy attached and available here https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG-ESG-Wood-Pulp-Sourcing-Policy-FINAL318.pdf. Specifically, we have clarified our expectations for no deforestation

confirmed the protection of the rights of Indigenous Peoples and included stricter forest certification requirements. In addition, we will share the actions taken against suppliers who have been in violation of our Wood Pulp Sourcing Policy.

3. **We will increase Sourcing Transparency:** For many years P&G has tracked and reported annually the amount of wood pulp it purchases from suppliers certified under each of the forest certification schemes. As we assessed how we could enhance our transparency in this area we recognized an opportunity to provide more details about our sourcing to external stakeholders. Accordingly, we will become an industry-leader in wood pulp transparency sharing additional data on metrics like sourcing volume, regions, certification schemes, relative size of sourcing, tree harvesting timing, and others. This information can be found via our new ESG portal.
4. **We will advance Conservation Efforts:** P&G and our Family Care brands go beyond responsible sourcing and support efforts to keep forests as forests for generations to come. We established several new efforts this past year and have been able to expand on a number of them.
 - P&G has been collaborating with the Arbor Day Foundation to plant 1 million trees between 2020-2025 in areas devastated by natural disasters, an increase in our initial commitment to the program. Generations to come will see the long-term benefits of trees planted, through a restored ecosystem, carbon sequestration and improved air and water quality for local communities.
 - Since July 2020, P&G Family Care, pulp supplier Suzano, and World Wildlife Fund have been collaborating on the Atlantic Forest Landscape Restoration Project in Brazil. This effort will produce forest landscape restoration and rehabilitation plans and methodologies for several degraded forest and agricultural landscapes in the Brazilian state of Espírito Santo.
 - In November 2020, we joined with longtime partner the Rainforest Alliance on its launch of the Forest Allies Community of Practice, serving as a founding member. The Forest Allies community is focused on protecting, restoring, and enabling responsible management of tropical forests.
 - We continue to work with the Nature Conservancy and the American Forest Foundation to help family forest owners in the U.S. better manage their forests

More information on these programs is available at <https://us.pg.com/mapping-our-impact/>.

We will continue to partner with stakeholders to assess our programs and progress and look for new opportunities to further enhance our efforts. We have integrated these new program elements into the information in our online portal <https://www.pginvestor.com/esg/environmental/forestry/pulp/default.aspx>.

INCREASING TRANSPARENCY & REPORTING

As part of our assessment process, we heard directly from investors and other stakeholders their desire for greater transparency and reporting by companies on both general issues related to environmental, social, and governance topics as well as the specific matters covered in this report. Therefore, to enhance our overall reporting and transparency, we will:

1. **Launch an online portal that will provide improved access to relevant information and data related to key ESG topics.** This portal will include relevant policies, a description of our overall management efforts, progress against goals, and relevant data and metrics. We plan to evolve this content over time, but the initial version of this portal, which includes the most up to date information on our palm oil and wood pulp efforts, is now available via <https://www.pginvestor.com/esg/esg-overview/default.aspx>.
2. **Respond to CDP Forest Survey:** We will respond to the CDP Forest Survey during their next reporting window.

CONCLUSION

In conclusion, our assessment reinforced that supply chain and reporting issues related to wood pulp and palm oil are complex and challenging. Nevertheless, we continue to learn from our supply chain and NGO partners and value the input they have provided to this assessment and our efforts more generally. Further accelerating our work will require all stakeholders – industry, government, and civil society – to work collaboratively toward our shared goal of eliminating deforestation and the degradation of intact forests. As we do our part, we will continue to partner with others to help further accelerate positive impacts and will remain committed to transparently communicating our challenges and progress.

Attachment A: Palm Oil Sourcing Policy (updated March 2021)

Attachment B: Wood Pulp Sourcing Policy (updated March 2021)

Exhibit D



P&G'S FOREST POSITIVE SOURCING POLICY

Protection of forests and other natural ecosystems is critical for maintaining biodiversity, combating climate change, and sustaining livelihoods. As part of our overall sustainability goals, P&G is committed to eliminating deforestation and ecosystem conversion from our supply chains and safeguarding human rights across our operations and suppliers. Given that wood pulp, fiber-based packaging, and palm oil are valuable renewable resources, we have a sourcing policy to address each commodity.

P&G sources wood pulp for tissue, towel, and absorbent hygiene products and palm oil for fabric, home, and personal care products. We also source paper-based packaging to house and transport our products. We will diligently pursue sourcing that protects forests and the communities that rely on them. We aim to eliminate deforestation, protect or conserve special sites, respect human and labor rights, and affirm the rights of Indigenous Groups.



WOOD PULP SOURCING POLICY

P&G sources wood pulp that is used in the production of products in Family Care, Baby Care, and Feminine Care business units such as paper towels, diapers, feminine hygiene products, and toilet paper. P&G will ensure the forests harvested for our pulp are managed sustainably and responsibly. As part of this effort, we will continuously review all pulp suppliers to ensure they are providing us with sustainably sourced fiber that complies with this policy.

INCREASE FOREST POSITIVE IMPACTS

P&G is focused on having a [Forest Positive](#) impact and as such, suppliers are expected to play a part in conservation and restoration efforts beyond maintaining forest certification. Projects such as reforestation efforts, improving degraded lands, partnering with Indigenous Peoples, and protecting endangered species are elements of our Forest Positive approach.

NO ILLEGAL LOGGING

P&G will not use illegally sourced fiber or conflict timber in our products. We will document that fiber is legally harvested and that other legal requirements are met.

NO DEFORESTATION

P&G does not allow deforestation and does not permit forest degradation in our sourcing. The cutoff date after which deforestation or conversion is considered non-compliant is November 1, 1994. Permanent conversion of land from forests to non-forest increases greenhouse gas emissions and has negative effects on biodiversity and the local communities that rely on them. P&G works with suppliers and stakeholders to address deforestation concerns in high-risk areas. P&G's commitment to increasing the use of third-party certification lowers the risk of deforestation and forest degradation within our supply chain.

P&G does not support conversion of forests to non-natural ecosystems in our supply chain. In restricted situations, conversion of forest to other non-forest rare natural ecosystems such as wetlands, savannahs, and native grasslands could occur. The following conversion types are not allowed in our supply chain:

- Agricultural land including commercial crops or livestock
- Commercial and residential developments
- Tree plantations with non-native trees, heavy reliance on chemicals, or lack key elements of natural forests

PROTECT HIGH CONSERVATION VALUE (HCV) AREAS

P&G will source only from suppliers that do not harvest from forests that are mapped High Conservation Value (HCV) areas without third-party certification. HCV areas have been designated to have critical or important environmental, cultural, ecological, or landscape values. These areas also include peatlands and high carbon stock forests. P&G supports multi-stakeholder efforts to develop information sources and tools that will help suppliers identify these areas on their own properties and in their procurement of wood raw materials from third-parties (e.g. www.hcvnetwork.org).

RESPECTING HUMAN RIGHTS

At P&G, respect for [Human Rights](#) is fundamental to the way we manage our business. We support the [U.N. Guiding Principles for Business and Human Rights](#) which respects and honors the principles of internationally recognized human rights including:

- Those rights expressed in [The International Bill of Human Rights](#) (i.e., Universal Declaration of Human Rights and the International Covenants on Economic, Social and Cultural Rights and Civil & Political Rights.) and
- The principles concerning fundamental rights as set out in the [International Labor Organization Declaration on Fundamental Principles and Rights at Work](#).

As such, suppliers are expected to have the necessary policies and procedures in place to follow P&G's [Responsible Sourcing Guidelines for External Business Partners](#). The Guidelines explain the global standards to be followed on behalf of P&G. External business partners, their subcontractors and suppliers are expected to be informed of and share P&G's commitment to these standards. P&G supports the [United Nations Declaration on the Rights of Indigenous Peoples](#), which declares that indigenous peoples have the right to full enjoyment, as a collective or as individuals, of all human rights and fundamental freedoms.

FREE, PRIOR AND INFORMED CONSENT

P&G respects the rights of indigenous and local communities to give or withhold their free, prior, and informed consent (FPIC) for development of land they own legally, communally or by customary rights. On an ongoing basis, we expect our suppliers to have the necessary mechanisms in place to respect, protect, and promote FPIC, particularly in the case of Indigenous Peoples. The FPIC processes should be done in a culturally appropriate manner and follow credible methodologies such as the [UN-REDD \(2012\) Guidelines on Free, Prior and Informed Consent](#) and [FAO \(2015\) Free, Prior and Informed Consent Manual](#).

MINIMUM FOREST CERTIFICATION

To support the implementation of our environmental and social commitments, all wood pulp sourced by P&G is required to be certified by one of the following third-party certification systems: Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative®

(SFI®), or Programme for the Endorsement of Forest Certification (PEFC). Within these systems, P&G only accepts the following certification claims:

- FSC: FSC 100%, FSC Mix Credit, and FSC Controlled Wood
- SFI: 100% SFI Certified Chain of Custody
- PEFC: 100% PEFC Certified Chain of Custody

These claims require rigorous annual third-party, independent audits of forests and reviews of supplier's internal due diligence systems. Critical criteria essential to sustainable forest management evaluated during these audits include, but are not limited to, high conservation value areas, protection of endangered species, UNDRIP and/or FPIC for Indigenous Peoples and local communities, and deforestation or conversion.

These audits must be conducted by companies accredited to conduct forest management audits by Assurance Services International or the International Accreditation Service such as Preferred by Nature, PwC, SCS Global Services, SGS, SAI Global, and KPMG.

P&G has preference for FSC certified materials and encourages suppliers to get their sourcing forests and supply chains fully FSC certified to the FSC Forest Management Standard. P&G joins many premier environmental non-governmental organizations in considering FSC the gold-standard of forestry certification systems. FSC protects biodiversity and ecosystems, supports Indigenous Peoples and local communities, and protects sensitive lands.

ENSURE EFFICIENT USE OF RESOURCES

P&G believes that we should invest our resources where we can make the greatest sustainability improvements and will partner with suppliers to:

- Focus on source reduction in the long term or use of less fiber through development of innovative technologies that provide maximum product performance using minimal fiber.
- Evaluate the use of non-forest derived sources of fiber, recognizing that alternatives must also meet principles of sustainable management.
- Explore and implement energy and water conservation opportunities in our paper making operations.
- Invest in research to identify the technical breakthroughs needed to allow us to use alternative fibers in our premium products without an impact on product performance, manufacturing efficiency, resource and energy usage and waste generation.

RIGOROUS PREVENTION OF & MONITORING FOR NON-CONFORMANCE

P&G continuously reviews wood pulp suppliers to ensure they provide us with sustainably sourced fiber and follow this policy. To evaluate compliance suppliers are required to participate in:

- Semiannual sustainability desk-side audits
- Biennial forest field assessments including management plan appraisal
- Quarterly evaluations of sustainability efforts and plans.

These processes include reviews of deforestation, biodiversity, high conservation value areas, and Indigenous Peoples' rights, including FPIC. P&G meets with relevant Indigenous People and local communities to understand their perspective on the supplier's free, prior, and informed consent process to ensure the engagement is taking place in a culturally appropriate manner, place, and time. When necessary, we will bring in expert third parties to assist in these evaluations.

The [P&G Business Conduct System](#) and the [Worldwide Business Conduct Helpline](#) are other mechanisms P&G uses to monitor compliance. It is a grievance system to allow those both inside and outside the company to raise concerns, with or without identification.

ADDRESSING FORESTRY GRIEVANCES

Alleged non-compliances to this and any P&G policies identified during any of these activities will follow our Forestry Grievance Process. This three-phase process of Evaluate, Investigate, and Remediate allows P&G to ensure our policies are being followed. Potential actions by P&G when non-compliances are confirmed are to engage, suspend, or terminate supplier relationships. Scale, scope, and irremediability of the allegation are used to determine the level of P&G response. More details can be found in the [Forestry Grievance Process](#).

We have and will continue to share the results and status of investigations, plans, and actions taken at P&G's [ESG for Investors website](#). All public disclosures will maintain confidentiality of anonymous grievance submitters and proprietary information.



July 1, 2022

Dear Tonia and Jack,

Thank you for your engagement as Procter & Gamble has looked to advance its work to address its sourcing from primary forests in its wood pulp supply chains and align its sourcing with international climate, biodiversity, and forest commitments and Indigenous rights standards. We look forward to continued dialogue on these issues, and hope that P&G will work to eliminate sourcing from primary forests once it is able to determine the overlap of its sourcing with these irrecoverable, climate-critical, and biodiverse areas.

We also hope that P&G is taking steps beyond certification to ensure that forest degradation is not occurring in its supply chains. Based on our consultation with forestry experts, it is our understanding that SFI and PEFC/CSA-SFM do not contain prohibitions on degradation in their sourcing standards. An [analysis](#) from the Sierra Club found that the SFI 2022 Forest Management Standard “allows unfettered forest degradation and conversion to plantations when this does not change forest cover types per se.”

Further, we received feedback from the AFI that their “definition of degradation is meant to further explain part of the definition on deforestation and not as a stand-alone definition to be used in determining responsible forest management. It is not operable in that way.” We would therefore recommend that P&G ensure that its wood pulp policies relating to forest degradation be modified to align with a more scientifically appropriate definition of the term that acknowledges the climate and biodiversity impacts of clearcut logging in primary forests.

The purpose of this letter is to document that Green Century Capital Management, Inc. (“Green Century”) agrees to withdraw its proposal for the 2022 Annual Meeting of Shareholders in exchange for The Procter & Gamble Company (“P&G”) agreeing to undertake the actions set forth below.

P&G will:

- Announce an aim to eliminate sourcing from intact forest landscapes (IFLs), which it will work to achieve by advocating for the policy changes that would enable this elimination.
- Commit to continue advocating for Canadian, U.S., and international policies that protect IFLs and critical caribou habitat in P&G’s wood pulp sourcing regions.
- Map and disclose the overlap of its sourcing with primary forests as primary forest maps, mapped by credible parties, in relevant regions become available. Then, develop a roadmap to reduce sourcing from primary forests. In developing this roadmap, P&G will evaluate the feasibility of eliminating sourcing from primary forests.
- Regularly monitor Canadian wood sourcing for overlap with IFLs and, once mapped, primary forests using satellite monitoring.
- Disclose non-proprietary information about investments in alternative fiber innovations and will seek to accelerate progress in this area. P&G will update progress on an annual basis.
- Clarify that suppliers are “required to ensure Free, Prior, and Informed Consent” in its [Wood Pulp Sourcing Policy](#).

GREEN CENTURY CAPITAL MANAGEMENT, INC.
114 State Street, Suite 200 ▪ Boston, MA 02109
tel 617-482-0800 ▪ fax 617-422-0881
www.greencentury.com



Green Century agrees to withdraw the proposal upon the execution of this letter by P&G and Green Century.

We appreciate your work on this important issue.

Sincerely,

DocuSigned by:

62CB30EAD3BA4B9
Leslie Samuelrich

President

Green Century Capital Management, Inc.

The Green Century Funds

Eric Breissinger

President – Family Care

The Procter & Gamble Company

GREEN CENTURY CAPITAL MANAGEMENT, INC.

114 State Street, Suite 200 ▪ Boston, MA 02109

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Legal Division
1 Procter & Gamble Plaza
Cincinnati, OH 45202

July 13, 2022

By Electronic Mail to shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

**Re: The Procter & Gamble Company – Shareholder Proposal
Submitted by the Green Century Equity Fund**

Ladies and Gentlemen:

In a letter dated June 7, 2022, The Procter & Gamble Company (the “Company”), by its counsel, requested confirmation pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, that the staff of the Division of Corporation Finance would not recommend enforcement action to the U.S. Securities and Exchange Commission if the Company excluded a shareholder proposal (the “Proposal”) submitted by the Green Century Equity Fund (“Green Century”) from the proxy materials for its 2022 annual meeting of shareholders.

On July 12, 2022, Green Century confirmed its withdrawal of the Proposal by email to the SEC and to the Company (attached as Exhibit A). In reliance thereon, the Company is withdrawing its No-Action request.

If the Staff has any questions with respect to this matter, please contact me at (513) 983-1100.

Very truly yours,

Aaron B. Shepherd
Director & Assistant General
Counsel

cc: Thomas Peterson, Green Century Capital Management
Kerry S. Burke, Covington

EXHIBIT A

Shepherd, Aaron

From: Thomas Peterson [REDACTED]
Sent: Tuesday, July 12, 2022 5:17 PM
To: ShareholderProposals
Cc: Shepherd, Aaron; WMastrianna@[REDACTED]; kburke@[REDACTED]
Subject: P&G shareholder proposal withdrawal - Green Century
Attachments: Green_Century_-_countersigned_-_7-12-22.pdf; The Procter & Gamble Company_Rule 14a-8 No-Action Request (6.7.22) (1).pdf

[EXTERNAL]

Hello,

Green Century is withdrawing its shareholder proposal filed with the Procter & Gamble Company on the topic of deforestation risk. I have attached our executed withdrawal agreement and the company's no-action request for reference.

Thank you,

Thomas

Thomas Peterson (he/him)
Shareholder Advocate
Green Century Capital Management
114 State Street, Suite 200, Boston, MA 02109
www.greencentury.com
[REDACTED]/1-800-934-7336

For updates on Green Century, [register](#) for our e-newsletter or follow us on [Twitter](#) and [LinkedIn](#).

Green Century Capital Management, Inc. monitors and stores both incoming and outgoing electronic correspondence. These transmissions cannot be guaranteed to be secure, timely or error-free. This communication is not an offer, solicitation, or recommendation to buy or sell any security or other investment product.

The information contained in this communication is confidential and/or legally privileged. Any review, use, disclosure, distribution or copying of this communication is prohibited and it shall not be publicly disclosed or otherwise shared without the prior written approval of Green Century, and it shall be treated as material non-public information for purposes of such party's applicable compliance policies and procedures. If you have received this communication in error, please notify the sender immediately by reply email and destroy all copies of the communication.

Stocks will fluctuate in response to factors that may affect a single company, industry, sector, country, region or the market as a whole and may perform worse than the market. Foreign securities are subject to additional risks such as currency fluctuations, regional economic and political conditions, differences in accounting methods, and other unique risks compared to investing in securities of U.S. issuers. Bonds are subject to a variety of risks including interest rate, credit, and inflation risk. A sustainable investment strategy which incorporates environmental, social and governance criteria may result in lower or higher returns than an investment strategy that does not include such criteria.